

February 8, 2019

**By Email to:**

[regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov)

Ms. Ann E. Misback  
Secretary, Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue NW  
Washington, DC 20551

**Re: Proposed Amendments to Regulation CC; Docket No. R-1637 and RIN 7100 AF-28**

Dear Ms. Misback,

This comment letter is submitted on behalf of Wolters Kluwer in response to the proposed amendments to Regulation CC, referenced above, and as jointly proposed by the Board of Governors of the Federal Reserve System (“FRB”) and the Consumer Financial Protection Bureau (“CFPB”) – together referred to as “the Agencies.” This letter comments on the proposal to adjust certain dollar amounts within the Regulation, as required by the Dodd-Frank Act, as well as the proposed schedule (collectively referred to as “the 2018 proposal”). This letter also comments on the amendments to the Regulation proposed by the FRB in 2011 (“the 2011 proposal”), for which comments were reopened under the 2018 proposal.

Wolters Kluwer is a leading provider of compliance solutions, technology and services to financial institutions across the United States. The vast majority of U.S. banks use Wolters Kluwer solutions, such as deposit, lending and IRA documents, disclosures, software, training, support and consulting services. In addition, many core processors and software developers use our compliance-related documents and other components in their products.

Among other things, Wolters Kluwer’s compliance solutions include helping financial institutions comply with the disclosure and other requirements under the Expedited Funds Availability Act (12 U.S.C. § 4001 *et seq.*) and Regulation CC. Wolters Kluwer appreciates this opportunity to comment.

**The 2018 proposal**

Wolters Kluwer supports the Agencies’ implementation of the updated dollar amount thresholds as required under the Dodd-Frank Act. We also believe the industry will benefit from having a predictable – predetermined – schedule for making future updates to those same dollar thresholds.

**The 2011 proposal**

**Prior comments**

Wolters Kluwer continues to support the Agencies as they explore revising the model funds availability account opening disclosures. However, Wolters Kluwer expresses no opinion as to

whether the Agencies should adopt the updates using the revised formatting styles delineated in the 2011 proposal, or as may be contemplated in response to initial public comments received on the 2011 proposal. Otherwise, this comment letter supplements the comments previously submitted by Wolters Kluwer. Those prior comments requested:

- A clearer standard on when, using the updated format, printing the funds availability disclosure on an 8 ½ x 11 inch piece of paper is necessary and when an alternative page size is acceptable;
- Additional guidance on the paper size and formatting requirements for including the funds availability disclosure in a preprinted booklet or pamphlet that includes other account opening disclosures; and
- Providing a clarification within the rule or commentary specifically permitting the inclusion of a tagline and financial institution logo.

### **Hold notices**

Wolters Kluwer encourages the Agencies to adopt revised hold notices. The current hold notices, while providing a safe harbor, are antiquated. For example, the current hold notices (see current model C-14) still refer to local and nonlocal checks. Many of our financial institution customers have requested Wolters Kluwer to provide updated hold notices. However, because the model forms are “deemed to be in compliance” with the rule, we have held off making any updates. Wolters Kluwer believes that moving forward with revised hold notices will be a benefit to financial institutions and consumers alike.

### **Change notices**

Section 229.18(e) of Regulation CC generally provides that an institution must send a notice of change at least 30 calendar days *before* implementing any change in its availability policy. However, if the change results in faster availability of deposits, the institution must send notice of the change no later than 30 calendar days *after* the change is implemented. The commentary to this section provides that there are no specific form requirements for a notice of change. However, the commentary goes on to say, “If the bank gives notice of a change by sending the customer a complete new availability disclosure, the bank must direct the customer to the changed terms in the disclosure by use of a letter or insert, *or by highlighting* the changed terms in the disclosure.” (Emphasis added)

If the Agencies make the 2011 proposal effective within the same timeline as the 2018 proposal, given the consumer-friendly design of the 2011 proposals, we believe many financial institutions will provide the updates for the 2018 proposals by providing a completely new availability disclosure. Wolters Kluwer requests additional guidance from the Agencies for institutions that want to satisfy the change notice requirements in this manner. Seeing as the disclosure’s design will be completely new to consumers, it seems that use of the highlighting method may be an impractical approach. Or, can an institution simply highlight the revised dollar thresholds that are changing?

### **Effective Date**

The Agencies have specifically requested comment on the proposed effective date for the adjustments as well as details regarding the measures necessary to implement the adjustments. Assuming that the only changes made are the changes outlined in the 2018 proposal, tasks for Wolters Kluwer include assisting institutions in updating their signage and stand-alone deposit disclosure content as well as helping institutions provide change notices to their impacted consumers. Wolters Kluwer will also need to update the content in its proprietary deposit origination systems to account for the adjusted dollar amounts. Given the proposed April 1, 2020, effective date, Wolters Kluwer believes it can make the changes required by the 2018 proposal in time for its financial institution customers to absorb these changes as well send notice of the changes to their impacted consumer depositors.

If the Agencies make the 2011 proposal effective within the same timeline outlined for the 2018 proposal, the amount of effort Wolters Kluwer will have to spend to help institutions comply will increase significantly. Instead of just updating content for the adjusted dollar amounts, Wolters Kluwer content will also need to be updated to comply with updated text requirements and programmed to accommodate the all-new formatting requirements. Delivering those changes by April 1, 2020, could pose a challenge.

### **Conclusion**

Wolters Kluwer appreciates the opportunity to comment on these proposed amendments to Regulation CC. If you have any questions for us, please feel free to contact us at [karl.leslie@wolterskluwer.com](mailto:karl.leslie@wolterskluwer.com).

Respectfully submitted,

/s/ Karl E. Leslie

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